

'Brand Gujarat' rules bourses

Sensex Lags Behind Cos With 'Gujarat' Tag

BOOM TIME

Company	Market Capitalisation (Rs in crore)		
	As on 17/7/2007	As on 16/7/2006	% Change
Welspun Guj	3,425	824	315
GMDC	2,975	909	227
Guj Foils	16	6	171
Guj Reclaims & Rubbers	63	29	117
Guj Ambuja Export	459	261	76
Guj Fluoro	3,936	2,201	79
Guj Apollo Ind	138	83	66
GSPL	3,036	1,843	65
GNFC	2,129	1,460	45
SENSEX	15,289	10,678	43



Nimish Shukla | TNN

Ahmedabad: 'Brand Gujarat' surely rules the bourses in more ways than one. Companies sporting the 'Gujarat' tag have outperformed the benchmark Sensex by far.

Companies, which have tried to ride on Gujarat's brand value, have posted higher growth in their market capitalisation than the Sensex rise in last one year.

The combined market capitalisation of 25 companies sporting the 'Gujarat' tag rose 74.18 per cent in one year ending July 17, 2007 while the Sensex has posted a 43.10 per cent rise as it moved from 10678.22 points to 15289.82 points during the same period. The market capitalisation of actively traded 25 companies went up from Rs 13,149 crore to Rs 22,904 crore during the period.

The companies that have shown more than 43 per cent rise in the market capitalisation include Welspun Gujarat, Gujarat Mineral Development Corporation (GMDC), Gujarat Foils, Gujarat Reclaim and Rubber Products, Gujarat Ambuja Export, Gujarat Fluorochemicals, Gujarat Apollo Industries, Gujarat State Petronet Ltd (GSPL) and Gujarat

Narmada Valley Fertilisers Company (GNFC).

"The reason why the companies with prefix Gujarat have performed better is that most of these companies have diversified business model and they are strong in their relative fields," said Chinubhai Shah, president, Gujarat Investors and Shareholders' Association (GISA).

"Another reason for the Gujarat-based companies' better performance is the good infrastructure and logistics that enable companies to be cost competitive," Vijay Gupta, CMD, Gujarat Ambuja Export said.

There are more than 70 listed companies sporting the 'Gujarat' tag, which is also a reflection of the robust image the state has. 'Gujarat' beats even 'India' or 'Bharat' hands down as a preferred choice when it comes to promoters christening their companies.

The list includes 'India' or 'Indian' (50), 'Bharat' (17), Punjab (10), Maharashtra (8), Tamil Nadu (6) and Andhra Pradesh (2). Some promoters have taken pride even in prefixing names of their cities to the companies such as Bombay (13), Madras (5) and Ahmedabad (3).